

Western States Minerals Corporation

P.O. Box 1887
10,000 Highway 28 West
Minneapolis, MN 55440
Telephone 612/843-5843
TLX 288788

EXHIBIT C

March 16, 1989

Acona (Utah) Inc.
6208 Twin Spring Cove
Austin, TX 78750

Gentlemen:

Our auditors are currently engaged in an examination of our accounts and records. In connection therewith will you please confirm directly to them the following:

1. On September 12, 1988 Acona exercised an option agreement dated June 30, 1988 to purchase certain properties in the state of Utah.
2. Pursuant to a Bill of Sale dated October, 1988 and a Quitclaim Deed and Assignment dated October 11, 1988 Acona purchased such properties for \$1,000,000 by payment of \$220,000 at closing; \$30,000 with purchase option and issuance of 3 promissory notes for \$250,000 each.
3. Acona agreed to indemnify Western States Minerals Corporation pursuant to the indemnity provisions contained in the Quitclaim Deed and Assignment and assumed responsibility for all reclamation costs.
4. At December 31, 1988 Acona owed Western States Minerals Corporation \$750,000 evidenced by 3 promissory notes due.

January 12, 1989	\$250,000
April 12, 1989	250,000
July 12, 1989	250,000
	<u>\$750,000</u>

(Paid)

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AM (Utah) INC.
March 16, 1989
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For purposes of confirmation only, kindly indicate in the space provided below whether the above is correct as of that date and fax directly to our auditors: Richard Proulx, KPMG Peat Marwick, 4200 Marquette Center, 90 South Seventh Street, Minneapolis, Minnesota 55402-2800, (Facsimile 612-341-9302). If incorrect, please furnish information relative to the difference, including details of offsetting items and dates, if any. Thank you for your assistance.

Very truly yours,

WESTERN STATES MINERALS, CORPORATION

H. P. Faige
Assistant Secretary-Treasurer

REPLY: Richard Proulx
KPMG Peat Marwick
The above information is correct
except as noted:

by GRK

Title: President

Date: 3-16-89

KPT:jb